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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, October 10, 2000

JOINT PETITION OF

CASE NO. PUA000035

ATX TELECOMMUNICATIONS SERVICES, INC.,

AND

CORECOMM LIMITED

For approval of transfer of control of
ATX Telecommunications Services, Inc., to
CoreComm Limited

ORDER GRANTING APPROVAL

On August 16, 2000, ATX Telecommunications Services, Inc. (“ATX”), and CoreComm Limited (“CoreComm”) (collectively referred to as “Joint Petitioners”) filed a complete joint petition with the Commission under the Utility Transfers Act requesting approval to transfer ownership and control of ATX from its current shareholders to the present shareholders of CoreComm pursuant to a Recapitalization Agreement and Plan of Merger dated March 9, 2000, (the “Agreement”). Joint Petitioners also requested approval of the pro forma restructuring of the ownership of CoreComm and all other relief as necessary or appropriate to complete the transaction.

As described in the joint petition, ATX is a privately held Delaware corporation. ATX Telecommunications Services of Virginia, LLC (“ATXVA”), is wholly owned by ATX and currently has a certificate application pending to provide local exchange telecommunications services. ATXVA was granted interim authority on September 8, 2000, to provide local

telephone services in Virginia to customers of ATX Telecommunications Services, Ltd. (“ATX, Ltd.”), and the hearing in this matter is scheduled for December 12, 2000.¹

CoreComm wholly owns CoreComm Virginia, Inc., (“CoreComm VA”). CoreComm is a telecommunications service provider operating on an intrastate, interstate, and international basis and provides integrated telephone, Internet, and data services to residential and business customers. Through various subsidiaries, CoreComm is authorized to provide local and/or interexchange services in over twenty states, including Virginia. CoreComm VA is authorized to provide local and interexchange telecommunications services in Virginia.

ATX and CoreComm request approval of a merger whereby, through a series of transactions, the shareholders of CoreComm would obtain a majority interest in ATX, a regional local exchange carrier with long distance service across the country.

CoreComm would, therefore, indirectly own ATXVA.

ATX would be the surviving entity in the merger and would subsequently change its name to CoreComm Limited. As a result of the merger transaction, ATXVA would ultimately be owned by the shareholders of CoreComm instead of ATX. CoreComm VA would be directly owned by CoreComm Merger Sub and ultimately owned by CoreComm.

As represented in the joint petition, the transfer of control will be made in a seamless fashion that will not adversely affect the provision of telecommunications services in Virginia. Petitioners further represent that the day-to-day operations of ATXVA or CoreComm VA will not be affected adversely by the merger.

¹ ATX, Ltd., a limited partnership was authorized to provide local exchange telecommunications services in Virginia in Case No. PUC970044. ATX, Ltd., subsequently became a corporation and, thus, no longer has a certificate to provide local exchange services in Virginia. ATXVA is authorized to provide service in place of the limited partnership.

After completion of the transaction, ATX Licensing, Inc. (“ALI”), will directly own ATXVA. CoreComm will directly own ALI. Both entities are authorized to provide services in Virginia and will continue to operate under their existing names. Their parent companies will change their names. ATX will be renamed CoreComm Limited upon relinquishment of that name by CoreComm as part of the merger process, and ALI will adopt the name ATX Telecommunications Services, Inc., upon relinquishment of that name by ATX.

Petitioners represent that services of CoreComm VA and ATXVA will be provided in Virginia under the rates, terms, and conditions currently on file with the Commission. ATXVA’s existing tariff will be changed only to reflect its new name. Petitioners state that they have not decided how the two companies would mesh their management teams, but CoreComm’s management is expected to direct the overall operations of the combined companies.

In the proposed merger, direct ownership of ATXVA will not change but its ultimate ownership will change. CoreComm VA will be directly owned by CoreComm Merger Sub, and the ultimate owner will be CoreComm. The Commission will have the same jurisdiction over ATXVA and CoreComm after the merger. The rates of ATXVA and CoreComm will continue to be set pursuant to the rules governing CLECs.

THE COMMISSION, upon consideration of the joint petition and representations of Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, ATX Telecommunications Services, Inc., and CoreComm Limited are hereby granted approval for the transfer of control of ATX, the ultimate parent of ATXVA, from ATX to the shareholders of CoreComm and transfer of control of CoreComm VA from CoreComm to CoreComm, formerly ATX.
- 2) There appearing nothing further to be done in this matter, it hereby is dismissed.